

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2918-02
BILL NO.: SB 721
SUBJECT: Utilities; Telecommunications
TYPE: #REVISED
DATE: February 1, 2000
 #Per Legislative Research Oversight Subcommittee vote on February 1, 2000.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
#Deaf Relay Service & Equipment Distribution	(\$650,000)	(\$650,000)	(\$650,000)
#Total Estimated Net Effect on All State Funds	(\$650,000)	(\$650,000)	(\$650,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Public Service Commission (PSC)** assume the proposed legislation would result in the need to purchase additional equipment, resulting in total costs of approximately \$12 million. These costs are based on the assumption that the proposal would broaden the scope of the clientele served and the potential expenditures by: substituting “telephone” with “telecommunications”; including computer input and output adaptations necessary for telecommunications access; redefining eligible subscriber; and requiring development of procedures to match disabled individuals with adaptive equipment.

The PSC has assumed the scope would be expanded to include the blind and those with other disabilities. Based on an estimated blind population in Missouri of 103,876, the PSC has assumed 105 would utilize the program at a cost of \$105,790 per person. Approximately 81% of this cost is attributed to a braille printer, at a cost of \$86,000 each. Additionally, the PSC has assumed 72 individuals with other disabilities would take advantage of the program, at a cost of \$1,195 each. Other costs would include consumer support and outreach for a cost of \$1,193,882.

Oversight assumes the intent of this proposal is not to increase the current surcharge fee, but to utilize the monies that are currently available in the fund from the present fee collections. However, if the surcharge fee were adjusted, additional monies could be expended to fund the above noted costs. Oversight assumes the current fund balance of approximately \$6 million could be utilized to fund the expanded program. In addition, currently, there is approximately \$800,000 excess of revenues over program expenditures each year that could be available to fund the expanded program.

#Per vote of the Legislative Research Oversight Subcommittee on February 1, 2000, the fiscal note was revised to reflect equipment costs of \$650,000 per year.

Officials from the **Department of Economic Development - Office of Public Counsel (OPC), Department of Labor and Industrial Relations (DOL)** and the **Department of Natural Resources (DNR)** assume the proposed legislation would have either minimal or no fiscal impact on their agencies.

FISCAL IMPACT - State Government FY 2001 FY 2002 FY 2003

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**DEAF RELAY SERVICE AND
 EQUIPMENT DISTRIBUTION FUND**

#Costs - Public Service Commission (PSC)

Equipment	(\$650,000)	(\$650,000)	(\$650,000)
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**#ESTIMATED NET EFFECT TO
 DEAF RELAY SERVICE AND
 EQUIPMENT DISTRIBUTION FUND**

<u>(\$650,000)</u>	<u>(\$650,000)</u>	<u>(\$650,000)</u>
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FISCAL IMPACT - Local Government

FY 2001	FY 2002	FY 2003
0	0	0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses is expected as a result of this proposal.

DESCRIPTION

The proposed legislation would revise the program of the Missouri Public Service Commission for telecommunications equipment for hearing and speech-impaired. The act would add definitions to expand the scope of the program to all telecommunications equipment, including voice and text.

The Commission would be required to provide a statewide telecommunications equipment distribution program for persons who can not use traditional equipment due to disability. The act would add requirements for consumer support in receiving and using equipment. The Commission would be required to contract with public and non-profit organizations to provide consumer support.

The act would specify qualifications of the program administrator which include appropriate expertise and experience to provide oversight, customer service and accountability. The act would allow means testing and other factors to be used, if needed, to determine the

DESCRIPTION (continued)

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allocation of funds if all needs can not be met with available funds.

The proposed legislation would establish telecommunications system and equipment distribution system for the deaf and hearing impaired, and for certain other disabled Missourians.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would not affect Total State Revenues.

SOURCES OF INFORMATION

Department of Economic Development - Public Service Commission
Department of Economic Development - Office of Public Counsel
Department of Labor and Industrial Relations
Department of Natural Resources



Jeanne Jarrett, CPA
Director
February 1, 2000